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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

ACACIA, INC.,  
  
Plaintiff/Counter-Defendant,  
  
vs.  
  
NEOMED, INC.,  
  
Defendant/Counter-Plaintiff.

CASE NO. SACV 11-1329-JST (ANx)

**ORDER GRANTING  
PLAINTIFF/COUNTER-  
DEFENDANT’S MOTION FOR  
PARTIAL SUMMARY JUDGMENT**

1 Before the Court is Plaintiff/Counter-Defendant Acacia, Inc.'s ("Acacia's") Motion  
2 for Partial Summary Judgment and an Order Directing the United States Patent and  
3 Trademark Office ("USPTO") to Cancel Supplemental Trademark Registration No.  
4 3,478,363 ("Motion for Partial Summary Judgment"). (Mot., Doc. 39.)  
5 Defendant/Counter-Plaintiff NeoMed, Inc. ("NeoMed") filed an Opposition (Opp'n, Doc.  
6 46), and Acacia filed a Reply (Reply, Doc. 47). Having read and considered the papers  
7 and heard oral argument, the Court GRANTS Acacia's Motion for Partial Summary  
8 Judgment.

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10 **I. Background**

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12 Acacia and NeoMed are medical device companies that both produce neonatal  
13 feeding systems, including tubes, connectors, and syringes. Although the parties  
14 vigorously dispute many of the background facts, the parties agree that errors in tubing and  
15 catheter misconnection with devices not intended for enteral use can result in serious,  
16 adverse health consequences and have led to patient death and permanent loss of function.  
17 (Statement of Uncontroverted Facts ("SUF") ¶ 2, Doc. 40.) Companies have used color-  
18 coded tubing and connections to diminish the risk of misconnection (*id.* ¶ 3), although the  
19 parties dispute whether color-coding is necessary with the current design of neonatal  
20 enteral devices. (Statement of Genuine Issues ("SGI") ¶ 3, Doc. 46-3.) NeoMed does not  
21 dispute that it uses orange to color-coordinate its "enteral use only" devices (SUF ¶ 7; SGI  
22 ¶ 7), as do several other companies (SUF ¶ 10; SGI ¶ 10). Acacia and Utah Medical  
23 Products, in particular, selected the color orange for their enteral only devices as a safety  
24 measure. (SUF ¶ 18.)

25 In January 2007, NeoMed's predecessor, Specialty Medical Products, applied to the  
26 USPTO for a trademark described as follows: "The mark consists of trade dress for oral  
27 syringes consisting of the color orange for gradation [sic] markings and text or text box on  
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1 a clear barrel.” (Ex. 36.) The USPTO rejected the application for registration on the  
2 Principal Register (Ex. 38), but allowed registration on the Supplemental Register on July  
3 29, 2008 (Ex. 41). As described in the Supplemental Register, “[t]he mark consists of the  
4 color orange as applied to the graduation markings and text or text box on the barrel of the  
5 syringe.” (*Id.*)

6 On June 8, 2011, NeoMed sent Acacia a “cease-and-desist” letter regarding  
7 Acacia’s use of orange on Acacia’s GRAVIFEED line of syringes, including the use of  
8 orange applied to graduation markings and to the text “GRAVIFEED by Acacia” and  
9 “FOR ENTERAL USE ONLY” on the barrel of the syringe. (Compl., Ex. 14, Doc. 1-7.)  
10 On September 1, 2011, Acacia filed this action for declaratory relief and cancellation of  
11 NeoMed’s trademark registration. (Compl.) NeoMed filed a Counterclaim for trademark  
12 infringement, false designation of origin, false advertising, and violation of California’s  
13 unfair competition law. (Countercl., Doc. 30.) Acacia filed this Motion for Partial  
14 Summary Judgment on its declaratory relief and cancellation of trademark claims, and on  
15 NeoMed’s trademark infringement, false designation of origin, and unfair competition  
16 claims, on the basis that the use of orange for graduation markings, text, and text boxes is  
17 functional, and therefore, not protectable as trade dress. (Mot. at 1, 3.)

## 18 19 **II. Legal Standard**

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21 In deciding a motion for summary judgment, the Court views the evidence in the  
22 light most favorable to the non-moving party and draws all justifiable inferences in that  
23 party’s favor. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). Summary  
24 judgment is proper “if the [moving party] shows that there is no genuine dispute as to any  
25 material fact and the [moving party] is entitled to judgment as a matter of law.” Fed. R.  
26 Civ. P. 56. A factual issue is “genuine” when there is sufficient evidence such that a  
27 reasonable trier of fact could resolve the issue in the non-movant’s favor, and an issue is  
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1 “material” when its resolution might affect the outcome of the suit under the governing  
2 law. *Anderson*, 477 U.S. at 248.

3 “In a civil action for trade dress infringement . . . for trade dress not registered on  
4 the *principal* register, the person who asserts trade dress protection has the burden of  
5 proving that the matter sought to be protected is not functional.” 15 U.S.C. § 1125(a)(3)  
6 (emphasis added). In other words, NeoMed carries the burden of persuasion with respect  
7 to functionality at trial. Nonetheless, Acacia, as the party moving for summary judgment,  
8 “has both the initial burden of production and the ultimate burden of persuasion” on the  
9 motion. *Nissan Fire & Marine Ins. Co., Ltd. v. Fritz Cos., Inc.*, 210 F.3d 1099, 1102 (9th  
10 Cir. 2000). “In order to carry its burden of production, the moving party must either  
11 produce evidence negating an essential element of the nonmoving party’s claim or defense  
12 or show that the nonmoving party does not have enough evidence of an essential element  
13 to carry its ultimate burden of persuasion at trial.” *Id.* Once Acacia has produced negating  
14 evidence or shown that NeoMed lacks evidence of an essential element, NeoMed must  
15 come forward with some evidence of nonfunctionality to defeat summary judgment. *See*  
16 *Secalt, S.A. v. Wuxi Shenxi Construction Machinery Co., Ltd.*, 668 F.3d 677, 685 (9th Cir.  
17 2012).

### 18 19 **III. Functionality Doctrine**

20  
21 “The principal role of trademark law is to ensure that consumers are able to identify  
22 the source of goods.” *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062,  
23 1067 (9th Cir. 2006) (citing *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164  
24 (1995)). “A functional product feature does not, however, enjoy protection under  
25 trademark law.” *Id.* “In general terms, a product feature is functional if it is essential to  
26 the use or purpose of the article or if it affects the cost or quality of the article.”  
27 *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982). A color is an  
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1 “essential” product feature if it “serves a significant nontrademark function.” *Qualitex*,  
 2 514 U.S. at 170.

3 The Ninth Circuit’s functionality test has evolved over time, particularly in response  
 4 to *Inwood*, *Qualitex*, and a subsequent Supreme Court case, *TrafFix Devices, Inc. v.*  
 5 *Marketing Displays, Inc.*, 532 U.S. 23 (2001). In *Disc Golf Association, Inc. v. Champion*  
 6 *Discs, Inc.*, the Ninth Circuit set forth four factors for analyzing functionality: “(1)  
 7 whether the design yields a utilitarian advantage, (2) whether alternative designs are  
 8 available, (3) whether advertising touts the utilitarian advantages of the design, and (4)  
 9 whether the particular design results from a comparatively simple or inexpensive method  
 10 of manufacture.” 158 F.3d 1002, 1006 (9th Cir. 1998). In its most recent decision, the  
 11 Ninth Circuit explained that the *Disc Golf* factors “illuminate the functionality analysis,”  
 12 but that “a determination of functionality under *Inwood* may be seen as short circuiting  
 13 some of the *Disc Golf* factors,” including the availability of alternative designs. *Secalt*,  
 14 668 F.3d at 685, 686-87. In fact, in *TrafFix*, the Supreme Court specifically stated that if a  
 15 feature is functional under the *Inwood* formulation, “there is no need to proceed further to  
 16 consider if there is a competitive necessity for the feature.” *TrafFix*, 532 U.S. 33 (quoted  
 17 in *Au-Tomotive Gold*, 457 F.3d at 1071).

#### 18 19 **IV. Discussion**

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 21 In August 2008, less than a month after the USPTO allowed registration of  
 22 NeoMed’s mark on the Supplemental Register, NeoMed’s counsel sent letters to Baxa  
 23 Corporation, Utah Medical Products, Inc., and Children’s Medical Ventures—all  
 24 manufacturers of neonatal enteral devices—stating, in relevant part:

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 26 NeoMed is working to create a coalition of manufacturers of  
 27 enteral products to establish orange as the color representing  
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1 enteral safety, and would be happy for you to join that  
2 coalition. However, the use of orange specifically for  
3 gradation [sic] markings and text represents only our own  
4 products.

5  
6 (Wesley Decl., Exs. 47-49, Doc. 39.) Consistent with this position, NeoMed has  
7 represented in its advertising that “orange signals enteral safety,” “NeoMed Oral  
8 Dispensers feature orange lettering and precise gradient marking that signify ‘enteral or  
9 oral’ designed to connect with other compliant devices,” and “[o]range lettering and  
10 graduation marking identify as enteral only.” (*Id.*, Exs. 53, 54, 57.) Furthermore, in his  
11 deposition, the president of NeoMed, Anthony Lair, admitted that NeoMed uses orange for  
12 enteral safety. (Lair Dep. 30:16-19, Doc. 39, Ex. 33.) Lair also testified that “[i]t’s always  
13 possible” that NeoMed chose orange in part because it signals enteral use (*id.* 86:20-22),  
14 and that “[i]t’s possible” that he’s told a NeoMed customer that the use of orange on  
15 NeoMed syringes indicates that the syringe is for “enteral use only” (*id.* 118:21-25).

16 Acacia also presents evidence from third parties, including other executives of other  
17 device manufacturers, medical device sales representatives, and a nurse, that orange is  
18 used to signal to hospital staff that a particular device is for enteral use, and to coordinate  
19 different enteral only devices, including syringes, extension tubing, and catheters. (*See*,  
20 *e.g.* Shirley Decl. ¶¶ 13, 16, Doc. 39-1.) Bruce Latoff, the owner of a medical device  
21 distributorship, states that “[c]urrently, the two dominant colors for enteral only devices  
22 are orange and purple,” and that “both colors signify ‘for enteral use only’ to a substantial  
23 portion of the consumers in the industry.” (Latoff Decl. ¶ 23, Doc. 39-1.) Sandra  
24 Beauman, a registered nurse and consultant to neonatal intensive care units, similarly states  
25 that “all major suppliers of enteral only feeding equipment, including oral syringes,  
26 currently use either an orange, purple or amber color scheme on their equipment,” and that  
27 “orange still remains the predominant color used by manufacturers and hospital  
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professionals to designate enteral use only in the United States.” (Beauman Decl. ¶¶ 29-30, Doc. 39-1.) Based on this evidence, this case is indistinguishable from *Inwood*. As in *Inwood*, color is used to aid hospital staff in visually identifying “enteral use only” devices. *See Inwood*, 456 U.S. at 853.

NeoMed’s only response is a variation of the same argument it asserted in the August 2008 letters to other manufacturers: “Acacia’s evidence shows that some companies use orange on enteral products while others do not, and that those that do use orange on some enteral products do not use orange graduation markings and text on the barrels of their enteral syringes.” (SGI ¶ 11.) The essence of this argument is that orange is functional, but NeoMed’s particular use of orange is not functional. However, a product feature cannot be nonfunctional where, as here, “the whole is nothing other than the assemblage of functional parts.” *Tie Tech v. Kinedyne Corp.*, 296 F.3d 778, 786 (9th Cir. 2002) (quoting *Leatherman Tool Grp., Inc. v. Cooper Indus., Inc.*, 199 F.3d 1009, 1013 (9th Cir. 1999)). NeoMed cites to *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1259 (9th Cir. 2001) for the proposition that trade dress may be protectable even if some of the elements are functional in isolation. (Opp’n at 11.). As NeoMed’s own articulation of the holding in *Clicks* provides, the whole may be protectable where “some of the claimed elements” are functional. (*Id.* (emphasis added).) Here, none of the elements are nonfunctional.

As in *Secalt*, NeoMed’s “fundamental misunderstanding—which infects its entire argument—is that the presumption of functionality can be overcome on the basis that its product is visually distinguishable from competing products. While such distinctive appearance is necessary, it is here insufficient to warrant trade dress protection.” *Secalt*, 668 F.3d at 684. NeoMed repeats time and again variations on the theme that “different manufacturers use different colors to signify different systems.” (Opp’n at 3.) This argument admits that color is used functionally, regardless of whether it is orange or another color, to signify different systems. Furthermore, the essence of this argument is

1 exactly that rejected in *Secalt*: that NeoMed's use of the orange is somehow distinctive  
2 because it visually distinguishable from others' use of orange. (*See* Opp'n at 17.)

3 As a fall back argument, NeoMed asserts that color coordination has no current  
4 functional benefit because "[s]pecially-designed enteral-only syringes, physically  
5 incapable of being connected to IV tubes, have become universal in the neonatal  
6 environment [ ]and will be mandated by law in California as of January 1, 2013[ ]." (Opp'n  
7 at 15.) The only evidence NeoMed cites for this argument is the deposition of Anthony  
8 Lair, NeoMed's CEO, which does not address the current market but rather color  
9 coordination in the industry in previous years, and a report stating that physical changes  
10 are necessary to avoid errors. (Opp'n at 15-16.) Neither piece of evidence supports the  
11 proposition that color coordination, or the use of orange to signal enteral use, is  
12 anachronistic or lacks function.

13 Finally, NeoMed asserts that, in 2008, it tried to put together a coalition of  
14 manufacturers to promote the use of orange as the official color to signal enteral use, but  
15 that its effort was rejected. (SGI ¶ 21.) Notably, this effort came *after* NeoMed first filed  
16 its trademark application. (Wesley Decl. ¶ 8, Ex. 36. Doc. 39-1, 39-6.) Furthermore,  
17 much of NeoMed's argument with regard to this fact appears to boil down to the assertion  
18 that orange was initially intended to be functional, but is now source identifying. (*See*  
19 Opp'n at 23-24.) The mere fact that orange is not functioning *well* as an indicator of  
20 enteral use does not transform it into a nonfunctional feature. As the *Inwood* Court stated,  
21 "*some* patients commingle medications in a container and rely on color to differentiate one  
22 from another." 456 U.S. at 853. Presumably, other patients use other methods to  
23 differentiate drugs, such as storing them in separate bottles. Therefore, under *Inwood*, a  
24 design feature does not have to achieve perfect functionality to be functional as a matter of  
25 law.

26 Accordingly, the Court concludes that NeoMed there is no triable issue of fact with  
27 regard to the functionality of NeoMed's use of orange.



1       **V.     Conclusion**

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3           For the foregoing reasons, the Court GRANTS Acacia's Motion for Partial  
4 Summary Judgment. The USPTO is directed to cancel U.S. Trademark Registration No.  
5 3,478,363.

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7 DATED: July 23, 2012

A handwritten signature in black ink, appearing to read "Josephine Tucker", written over a horizontal line.

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10           JOSEPHINE STATON TUCKER  
11           UNITED STATES DISTRICT JUDGE  
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